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Message Text

CONFIDENTIAL

PAGE 01 SAN SA 04593 051551Z

43
ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 EB-07 COME-00 TRSE-00 CIAE-00

DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 AID-05 AGRE-00 /069 W
---------- 068193
P R 051449Z OCT 76
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC PRIORITY 2358
INFO AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY SAN JOSE
AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SAN SALVADOR 4593

E.O 11652: GDS
TAGS: PINS, PINT, EAGR, ES
SUBJECT: SOME STEAM GOES OUT OF ISTA CRISIS

1. INFORMATION IS COMING AT THE EMBASSY FROM MANY SIDES, AND IN CONSIDERABLE DETAIL, REPORTING THAT THE GOES AND ANEP (THE NATIONAL ASSOCIATION OF PRIVATE ENTERPRISE) ARE ENGAGED IN FORMAL NEGOTIATIONS TO STRIKE AN ACCORD WHICH WILL GET THE COUNTRY OFF THE HOOK ON THE PRESIDENT'S AGRARIAN TRANSFORMATION PROGRAM (SEE SAN SALVADOR 4265 FOR BACKGROUND).
2. THE STORIES, AGREEING SUBSTANTIALLY IN DETAIL DESPITE THE MULTITUDE OF SOURCES, INDICATE THAT (1) ANEP AND THE GOVERNMENT HAVE SELECTED 3-PERSON TEAMS TO TALK WITH EACH OTHER; (2) AT LEAST TWO MEETINGS HAVE TAKEN PLACE; (3) THE PURPOSE IF TO DESIGN AN AGREEMENT WHICH WILL GIVE THE PRESIDENT A FACE-SAVING MANNER OF REMOVING HIMSELF AND THE REGIME FROM THE CORNER INTO WHICH HE HAS PAINTED THEM ON ISTA, I.E., HALT FURTHER IMPLEMENTATION OF THE FIRST PROJECT. PURPORTED DETAILS BEYOND THAT ARE MORE SPECULATIVE, AND INCLUDE: (1) ANEP HAS IMPOSED CONDITIONS FOR AGREEMENT WHICH INCLUDE THE REMOVAL OF PLANNING MINISTER ATILIO VIEYEZ (ARCHITECT OF THE TWO ISTA LAWS) AND SUBSECRETARY OF AGRICULTURE JOSE SALVADOR ARIAS; (2) THE
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PAGE 02 SAN SA 04593 051551Z

METHOD OF STOPPING FORWARD MOTION WOULD BE REFERRAL OF THE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

FIRST PROJECT LAW TO THE SUPREME COURT TO DETERMINE ITS
CONSTITUTIONALITY; AND, (3) THE NATIONAL ASSEMBLY PREDRY

IS WORKING ON A REDRAFT WHICH WOULD ELIMINATE THOSE PORTIONS
OF THE PRESENT ACT THAT ANEP OBJECTS TO. A GENERAL
CONSENSUS AMONG THE AFFECTED LANDOWNING SECTOR HAS EMERGED
SINCE THESE STORIES STARTED THEIR FOUNDS LAST WEEK THAT
"THE CRISIS HAS PASSED".
3. THE COMPOSITION OF THE GOVERNMENT NEGOTIATION TEAM
IS REPORTED TO BE: THE JUST-APPOINTED PRESIDENT OF THE
SUPREME COURT, ROGELIO CHEVEZ; THE JUST-APPOINTED MINISTER OF
THE PRESIDENCY, RAFAEL FLORES Y FLORES; AND
PCN VICE PRESIDENTIAL NOMINEE JULIO ERNESTO ASTACIO. SINCE
TWO OF THE THREE ARE KNOWN TO BE CLOSE TO GENERAL ROMERO,
MOLINA'S LIKELY SUCCESSOR, THE PRIVATE ENTERPRISE SECTOR
BELIEVES THAT ANY RESULTANT COMMITMENT WOULD BE BINDING ON
THE INCOMING REGIME AS WELL. PRESIDENT MOLINA IS SAID TO
HAVE SANCTIONED THIS APPROACH TO COMPROMISE.
4. COMMENT- ALTHOUGH NONE OF THIS IS FULLY CONFIRMED AS YET,
THERE IS NO DENYING A GENERAL RELAXATION OF TENSION AMONG
THOSE SECTORS WHICH UP TO NOW FELT THREATENED BY
ISTA, ESPECIALLY BY THE SPECIFICS OF THE FIRST PROJECT.
ALTHOUGH ANY AGREEMENT REACHED WOULD MOST LIKELY BE KEPT
SECRET, THE FIRST SIGN THAT IT HAD INDEED BEEN CONCLUDED
WOULD BE DIMUNITION IN THE NEWSPAPER MANIFESTO WAR THAT ANEP
AND THE GOES HAVE STAGED SINCE JULY 1. ALTHOUGH AN ANEP-GOES
AGREEMENT WOULD CALM THINGS DOWN OVER THE SHORT TERM, ITS
IMPLIACTIONS FOR THE LONGER TERM ARE NOT AS OPTIMISTIC.
THE CAMPESINO SECTOR, ONCE IT UNDERSTANDS THAT THE GOVERNMENT
HAS BACKED DOWN IN THE FACE OF LANDOWNER PRESSURE, WILL ALMOST
CERTAINLY EXPRESS ITS FRUSTRATED EXPECTATIONS IN ONE FORM OR
ANOTHER. THE MOST LIKELY EXPRESSION WOULD BE LAND INVASIONS.
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Margaret P. Grafeld
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